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**Committee of Experts on International
Cooperation in Tax Matters
Twenty-ninth session**

Geneva, 15-18 October 2024

Item 3(l) of the provisional agenda

Increasing Tax Transparency

Co-Coordinator's Report

Summary

This report is presented for *second reading* and *discussion* at the Twenty-ninth Session of the Committee. It outlines the discussions held by the Subcommittee on Increasing Tax Transparency towards fulfilling its mandate. It requests the Committee's comments and input into the paper drafted towards preparation of draft guidance on increasing tax transparency, focusing on the issues approved by the Committee at the Twenty-seventh Session, that is, (1) exchange of information (EOI), including practical guidance for countries new to EOI; (2) use of exchanged information for non-tax purposes; and (3) assistance in collection in the context of addressing gaps in existing guidance on Exchange of Information, identifying limitations and challenges faced by countries in the implementation of international standards in exchange of information and proposing solutions to these limitations and challenges.

Based on the discussion at this Session and any subsequent written comments, the Subcommittee will further revise the paper with a view to submitting it to the Thirtieth Session for approval.

Background

1. At the Twenty-third Session of the Committee in October 2021, the Secretariat provided a paper on Increasing Tax Transparency [E/C.18/2021/CRP.31](#). That paper examined the role that the Committee could play in promoting and supporting tax transparency initiatives in developing countries. At this Session, the Subcommittee was established to address the issue of tax transparency in developing countries by: identifying gaps in existing work on information exchange in developing countries; identifying challenges faced in the implementation of international standards in exchange of information; proposing solutions to address the identified gaps and challenges; and advising on ways to provide technical support to developing countries to address those challenges.

2. In subsequent meetings, the Subcommittee reported on its proposed workplan, and the progress made towards this workplan. See the following relevant documents for reference:

- [Report on the Twenty-third Session](#).
- [E/C.18/2022/CRP.12](#). - Co-Coordinator's report presented to the Twenty-fourth Session.
- [Report on the Twenty-fourth Session](#).
- [E/C.18/2022/CRP .32](#) - Co-Coordinator's report presented to the Twenty-fifth Session.
- [Report on the Twenty-fifth Session](#).
- [E/C.18/2023/CRP .5](#) - Co-Coordinator's report presented to the Twenty-sixth Session.
- [Report on the Twenty-sixth Session](#).
- [E/C.18/2023/CRP.32](#) - Co-Coordinator's report presented to the Twenty-seventh Session.
- [Report on the Twenty-seventh Session](#)
- [Report on the Twenty-eighth Session](#)

3. At the twenty-eighth session, the Committee considered the Co-coordinator's report and Annex, and those comments have been taken account of in this session.

Meetings of the Subcommittee

4. The Subcommittee held virtual meetings on 15 and 16 May, and 17 September 2024, to take forward the identified workstreams for fulfilling the mandate of the working group. This report reflects the outcome of those discussions.

5. The Subcommittee discussed the feedback received from the Twenty-eighth Session and took note that it was important to make reference to the UN work on Illicit Financial Flows in more detail.

6. It was further agreed that the paper would be reworked to give prominence to the issues laid out in the Subcommittee's mandate. Members observed that from the responses received by jurisdictions, the major issue appeared to be a lack of awareness of available resources on exchange of information. It was therefore agreed that the paper would address

this challenge by detailing some of the available resources and making reference to others.

7. The members of the subcommittee having considered all the issues have now reorganized the paper as follows;

- Part One – Introduction to Tax Transparency. In this part, the paper gives an overview of tax transparency, outlining its importance and potential benefits to jurisdictions as well as introduces the various organizations involved in the Subcommittee work, on this topic.
- Part Two- Limitations and Challenges Faced by Jurisdictions in Efforts to Increase Tax Transparency. This part is broken down into two chapters and addresses the general limitations and challenges faced by jurisdictions in efforts to increase tax transparency and the specific ones identified by participants in this work.
- Part Three - Solutions to Limitations and Challenges Identified by Jurisdiction. This part proposes solutions to the limitations and challenges identified in part two and addresses issues such as exchange of information, wider use of tax treaty exchanged information and assistance in collection of taxes.
- Part Four - Practical Guidance for Jurisdictions New to Exchange of Information for Tax Purposes. This part offers practical guidance to countries just starting on exchange of information a some of the topics that was identified as a priority at the Twenty-seventh Session by the Committee.

Issues

8. The Committee is asked to provide feedback and input on the paper attached as **Annex 1**. In particular, the Committee is invited to consider the approach taken by the Subcommittee in addressing the awareness gap by detailing some of the available material and give guidance on whether it meets the mandate of identifying and addressing gaps in the existing guidance on exchange of information.

Next Steps

9. Upon consideration by the Committee of the paper, and after receiving comments and input from the Committee and the Observers, the Subcommittee will incorporate the feedback received at the Twenty-ninth Session and prepare a revised version of the paper with a view to approval at the Thirtieth Session.